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No 96-1642

In The

Supreme Court of the United States

OCTOBER TERM, 1996

ALPEX COMPUTER CORPORATION,
Petitioner,

v.

NINTENDO COMPANY LTD. and NINTENDO OF AMERICA, INC.,
Respondents.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

REPLY BRIEF FOR PETITIONER

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REPLY BRIEF FOR PETITIONER

The opposition confirms that the court of appeals' application of prosecution history estoppel, which barred petitioner from asserting infringement by equivalence of claims 12 and 13 of the '555 patent, cannot survive this Court's intervening decision in *Warner-Jenkinson Co., Inc. v. Hilton Davis Chemical Co.*, 117 S. Ct. 1040 (1997).

Respondents concede that claims 12 and 13 "relate to a game-playing device" (Opp. 7; *see* Pat. Doc. 17a); that the pertinent prosecution objection, based on the Okuda patent, was never asserted against claims 12 and 13 (Opp. 7-8 n.1; *see* Pat. Doc. 75a, 99a); that Okuda "would not have necessitated an amendment" in order "to establish patentability" for claims 12 and 13 (Opp. 8 n.1); and that the distinction of Okuda (on the ground that petitioner's system can modify a single pixel on a television screen) was insignificant in the context of a game-playing device, which requires the creation of rapidly "moving objects." Opp. 6-7; *see* Pat. Doc. 11a (col. 8, lines 52-56), 14a (col. 14, lines 64-68), 82a-83a. Thus, it is undisputed that the pertinent prosecution statements, both by the patent examiner and by petitioner, had nothing to do with the patentability of claims 12 and 13.[1]

Respondents only briefly contend that the estoppel holding below is consistent with *Warner-Jenkinson*. Instead, respondents seek to avoid that question altogether, asserting primarily that the court of appeals did not apply prosecution history estoppel at all, and that the decision below, despite its improper estoppel holding, also rests on independent factual determinations with respect to infringement. None of these contentions has merit.

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[1] As explained in the petition for certiorari (Pet. 4-6), the patent examiner cited Okuda only against application claim 1 of what became the '555 patent. Respondents concede that application claim 1 "relates to a generic 'display control apparatus,'" and not to a "game-playing device." Opp. 7. Moreover, respondents concede that the ability to control a single pixel is significant only in the context of a generic "home intelligent terminal," which requires the creation of "complex *still* pictures." Opp. 6-7 (emphasis added).

1. From the outset, respondents insist that the legal rulings below "did not involve an application of prosecution history estoppel" (Opp. i), but only a "construction of the scope of claims 12 and 13" (Opp. 15). These contentions ignore both the settled legal distinction between claim construction and estoppel and the actual language of the opinion below.

Claim construction involves determining the literal meaning of actual patent terms. *See, e.g., Markman v. Westview Instruments, Inc.*, 116 S. Ct. 1384, 1387 (1996). Prosecution history estoppel, by contrast, operates as a legal bar on otherwise permissible assertions of "infringement by equivalence." *See Warner-Jenkinson*, 117 S. Ct. at 1049-51.[2] Thus, even though prosecution history is relevant for purposes of both claim construction and estoppel, there is a "clear line of distinction" between its use in each context. *Biodex Corp. v. Loredan Biomedical, Inc.*, 946 F.2d 850, 862 (Fed. Cir. 1991), *cert. denied*, 504 U.S. 980 (1992). Moreover, the use of prosecution history for claim construction does not foreclose the possibility of a separate application of prosecution history estoppel. On the contrary: because prosecution history estoppel applies only in the context of infringement by equivalents, it can arise, if at all, only "*after* the claims have been properly interpreted." *E.I. Du Pont de Nemours & Co. v. Phillips Petroleum*, 849 F.2d 1430, 1438 (Fed. Cir.) (emphasis added), *cert. denied*, 488 U.S. 986 (1988).

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[2] The Federal Circuit has long recognized that the distinctive function of estoppel is to bar otherwise permissible assertions of equivalence. *See, e.g., Wang Laboratories, Inc. v. Toshiba Corp.*, 993 F.2d 858, 866 (Fed. Cir. 1993) (estoppel "bars 'a patentee from enforcing its claims against otherwise legally equivalent structures'" (citation omitted)); *Texas Instruments v. United States Int'l Trade Comm'n*, 988 F.2d 1165, 1173 (Fed. Cir. 1993) (estoppel imposes "limitation to the range of equivalents available to the patentee"); *Perkin-Elmer Corp. v. Computervision Corp.*, 732 F.2d 888, 900 (Fed. Cir.) (en banc) (estoppel bars patentee "from asserting a range of equivalence broad enough to encompass the accused product or process"), *cert. denied*, 469 U.S. 857 (1984).

Accord, e.g., Exhibit Supply Co. v. Ace Patents Corp., 315 U.S. 126, 135 (1942); *Biodex*, 946 F.2d at 862; *Loctite Corp. v. Ultraseal Ltd.*, 781 F.2d 861, 870 (Fed. Cir. 1985).

The court of appeals plainly applied prosecution history estoppel based on the exchange between the patent examiner and petitioner about application claim 1. To be sure, the court began by using that prosecution history to construe the literal meaning of the "RAM 32" element. Pet. App. 6a-11a.[3] In Parts V and VI of its opinion, however, the court issued two further legal rulings, which respondents simply choose to ignore. In Part V of its opinion, the court held that "the NES cannot infringe claims 12 and 13 of the '555 patent as equivalents under § 112 ¶ 6." Pet. App. 12a. In Part VI of its opinion, the court held that petitioner "could not" assert equivalence under the doctrine of equivalents. Pet. App. 16a. On their face, these holdings involve applications of prosecution history estoppel.[4]

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[3] Specifically, the court construed the "RAM 32" element as requiring a random access memory with "discrete storage positions which correspond to each of the bars or pixels on the TV screen." Pet. App. 11a. The court concluded that this "RAM 32" element does not literally encompass the NES shift registers. Pet. App. 11a. As explained above, however, that conclusion does not imply — absent an independent application of prosecution history estoppel — that the NES shift registers cannot constitute an equivalent of "RAM 32." Respondents refer to the "RAM 32" element as a "bit-map." Although we agree with the district court that this terminology is "too simplistic" (Pet. App. 38a n.10), the question presented in the petition does not depend on which terminology is used to denote the "RAM 32" element.

[4] As explained in the petition (Pet. 21), others have recognized this clear application of prosecution history estoppel. *See Raleigh v. Tandy Corp.*, No. C-95-2332-MHP, 1997 WL 26299, at *2 (N.D. Cal. Jan 10, 1997) (*Alpex* opinion held that "'prosecution history estoppel' applies to the determination of structural equivalents in a means-plus-function case"); *Alpex Computer Corp. v. Nintendo Co. Ltd.*, 102 F.3d 1214, 1214 (Fed. Cir. 1996) (syllabus reporting that assertions of equivalence were "barred by prosecution history estoppel").

The distinction between claim construction and estoppel is critical in a case, like this one, involving different claims with some common elements. In this context, the usual claim construction principle is that "identical claim terms used in different claims must be interpreted consistently." *American Permahedge, Inc. v. Barcana, Inc.*, 105 F.3d 1441, 1446 (Fed. Cir. 1997). Estoppel, on the other hand, is always subject to the principle that "'things for most purposes different may sometimes be equivalents.'" *Warner-Jenkinson*, 117 S. Ct. at 1047, quoting *Graver Tank & Mfg. Co. v. Linde Air Prods. Co.*, 339 U.S. 605 (1950). Even before *Warner-Jenkinson*, that principle would have foreclosed respondents' broadest substantive contention (Opp. 21) — that the same element in different claims must, as a matter of law, always have the same range of equivalents.

2. As explained in the petition for certiorari (Pet. 16-19), *Warner-Jenkinson* announced two principles of law that are controlling here. First, the Court expressly restricted prosecution history estoppel to statements made for the specific purpose of overcoming *patentability* objections (*see* 117 S. Ct. at 1049-50), which *must* be separately assessed for each individual claim (*see* 35 U.S.C. §§ 101-103). Here, respondents concede that the Okuda statements did *not* address concerns about the patentability of claims 12 and 13. Pat. Doc. 75a-76a, 82a-83a, 99a. Second, the Court held that equivalence itself must be separately assessed with respect to each individual element of each individual claim. *See* 117 S. Ct. at 1048-49. *A fortiori*, equivalence (and therefore estoppel) must be separately assessed for each individual claim.[5]

Respondents attempt to distinguish *Warner-Jenkinson* on the ground that the court of appeals applied a purportedly "separate branch" of prosecution history estoppel that they describe as

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[5] We do not contend, as respondents mistakenly suggest (Opp. 21), that equivalence may be assessed without regard for individual elements. Our point is precisely the opposite: that *Warner-Jenkinson* requires equivalence (and therefore estoppel) to be separately assessed for each individual element of each individual claim.

"estoppel by argument." Opp. 20. But respondents fail to explain how estoppel could possibly be applied more broadly in the specific context where the patentee "has *not* amended the claims." *Id.* (emphasis added). The Federal Circuit decisions cited by respondents (Opp. 21 n.7) simply held that prosecution statements "in support of patentability," whether or not accompanied by an actual claim amendment, can give rise to prosecution history estoppel. *Texas Instruments, Inc. v. United States Int'l Trade Comm'n*, 988 F.2d 1165, 1174 (Fed. Cir. 1993). *Accord Hoganas AB v. Dresser Indus., Inc.*, 9 F.3d 948, 952-53 (Fed. Cir. 1993); 5 D. Chisum, *Patents* § 18.05[2][c] at 274 (Supp. 1997).[6] These decisions resolved (at the court of appeals level) a historical controversy about whether prosecution statements unaccompanied by an actual claim amendment could have *any* estoppel effect. *See* 5 D. Chisum, *Patents* § 18.05[2][c], at 18-168 to 18-175 (1997). Respondents cite no case even suggesting that such statements should have a *broader* estoppel effect than statements accompanied by actual claim amendments.

3. Respondents assert that the Federal Circuit has "reiterated," after *Warner-Jenkinson*, the interpretive principle that prosecution statements about a common element "apply with equal force in construing that element in all of the claims containing that element." Opp. 18-19. Respondents cite only one case decided after *Warner-Jenkinson*, *CVI/Beta Ventures, Inc. v. Tura LP*, No. 96-1167, 1997 WL 214809 (Fed. Cir. May 1, 1997), which stated that prosecution statements about "'the meaning of a claim term'" are ordinarily "'relevant to the *interpretation* of that term in every claim of the patent.'" *Id.* at *8 (emphasis added) (citation omitted). As explained above, however, that claim construction

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[6] Respondents incorrectly cite *Kinzebaw v. Deere & Co.*, 741 F.2d 383 (Fed. Cir. 1984), *cert. denied*, 470 U.S. 1004 (1985), as a so-called "estoppel by argument" case. That case involved an actual claim amendment. *See id.* at 388-39.

principle has no bearing on the distinct estoppel question presented here.[7]

4. Respondents briefly suggest that a broader estoppel doctrine would give competitors better notice about potentially infringing conduct. Opp. 21-22. In *Warner-Jenkinson*, however, this Court held that arguably better notice was "not a sufficient reason" for applying estoppel where no patentability objection had been asserted against the claim at issue. *See* 117 S. Ct. at 1049-50 & n.6. Moreover, the Court held that competitors receive adequate notice, from the terms of the patent itself, where equivalence analysis is separately performed for each individual element of each individual claim. *See id.* at 1048-49.

Respondents are particularly ill-suited to claim inadequate notice. To begin with, respondents concede that the patent examiner never cited Okuda against claims 12 and 13, despite repeated opportunities to do so. Pat. Doc. 76a-77a, 87a-88a, 99a. Moreover, respondents concede that the distinction of Okuda asserted by petitioner (ability to control a single pixel on the television screen) was significant only in the context of the "home intelligent terminal" of application claim 1, and not in the context of the video-game apparatus of claims 12 and 13. *See* Opp. 6-8. The patent itself makes this clear, for all of its video-game disclosures involve data blocks of 64 bits of information for a player (corresponding to 64 pixels on the screen), and nine bits of information for a ball (corresponding to nine pixels on the screen). Pat. Doc. 3a (fig. 4), 5a, 11a (col. 8, lines 52-56), 14a (col. 14, lines 49-68).[8] *Warner-Jenkinson* forecloses application

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[7] Only two of the decisions cited by respondents (Opp. 18-19) contain separate estoppel holdings. *See American Permahedge*, 105 F.3d at 1446; *Southwall Technologies, Inc. v. Cardinal IG Co.*, 54 F.3d 1570, 1584 (Fed. Cir.), *cert. denied*, 116 S. Ct. 515 (1995). Like the decision below, these cases were decided prior to this Court's intervening estoppel decision in *Warner-Jenkinson*.

[8] The only moving objects required to establish infringement of claims 12 and 13 are one "ball" and one "linear player." Pat. Doc. 17a.

of prosecution history estoppel under these circumstances. *See* 117 S. Ct. at 1049-51.

5. Finally, respondents repeatedly contend that the decision below, notwithstanding its improperly applied estoppel, rests on purportedly "independent" sufficiency determinations with respect to infringement by equivalence. Opp. 2. Respondents reason that the court of appeals "reviewed the factual record" to determine infringement (Opp. 13), and that it did so "separate and apart" from its legal rulings on claim construction and estoppel (Opp. 23-24). Respondents once again are mistaken.

Respondents' position makes little sense as a conceptual matter, for sufficiency questions necessarily depend on the underlying substantive law. *See, e.g., Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 247-49 (1986). As this Court explained in *Warner-Jenkinson*, once a court applies prosecution history estoppel, equivalence becomes immaterial, and *no* amount of evidence could support a finding of infringement by equivalence. *See* 117 S. Ct. at 1053-54 n.8. Here, for example, once the court of appeals applied prosecution history estoppel to hold that "the NES cannot infringe claims 12 and 13 of the '555 patent as equivalents" (Pet. App. 12a), no amount of evidence could have supported the jury verdict on infringement. Thus, the court scarcely even considered the substantial evidence of equivalence.[9]

The court made clear, moreover, that its abbreviated discussion of the evidence was inextricably intertwined with its estoppel holding. In its one-paragraph discussion of equivalence evidence under § 112 ¶ 6, the court stressed that petitioner had "clearly distinguished" the "RAM 32" structure "over a shift register structure during the prosecution." Pet. App. 13a. Similarly,

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[9] As explained in the petition (Pet. 10-13), that evidence included testimony about substantial interchangeability (Pet. App. 43a) and about the one-to-one correspondence between each of the structural components of claims 12 and 13 and of the NES (Tr. 1893-98, 1910, 2179). Given its estoppel holding, the court of appeals did not need to address — and did not address — any of this testimony.

although the court stated that "[t]he evidence in this case . . . does not support a finding of infringement under the doctrine of equivalents," its conclusion rested squarely on a legal analysis of estoppel principles. Pet. App. 16a.[10]

* * * *

The court of appeals' broad estoppel holding is unsustainable in light of *Warner-Jenkinson*, and there is no independent ground for affirming its judgment. Accordingly, this Court should grant the petition for certiorari to reverse the judgment below or to vacate the judgment and remand the case for reconsideration in light of *Warner-Jenkinson*.

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[10] In support of its conclusion, the court stated:

> As discussed above, Alpex described its claims during the prosecution of the '555 patent as covering random access systems capable of changing a single bit. It did not and could not claim image generation by shift registers. As the Supreme Court has explained, the purpose of the doctrine of equivalents is to prevent others from avoiding the patent by merely making "unimportant and insubstantial changes and substitutions in the patent." *Graver Tank*, 339 U.S. at 607, 70 S. Ct. at 856. It is not meant to cover systems that are clearly defined as outside the bounds of the claims. In this case, using shift registers, instead of RAM, to process data for video display, is not merely an unimportant and insubstantial change.

Pet. App. 16a.

CONCLUSION

The petition for a writ of certiorari should be granted.

Respectfully submitted,

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